

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2538 – Housing Enterprise Zone Green Development Standard (LSB 5506 HV)
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Fiscal Note Version – New

Description

House File 2538 increases the maximum investment tax credit from 10.0% to 12.0% for Enterprise Zone housing projects that meet specified energy efficiency requirements. The Bill takes effect on enactment and applies retroactively to tax years beginning on or after January 1, 2008.

Assumptions

- Tax credits estimated at \$7.2 million would be awarded annually under the current law.
- Approximately 25.0% of the annual awards will qualify for the additional 2.0% tax credit, for an increase of 5.0% in tax credits awarded.
- All awards are made to calendar year tax filers.
- Calendar year 2008 awards will be redeemed in FY 2009.
- All awards will be exercised.
- No specific project was used in the estimate.

Fiscal Impact

House File 2538 is estimated to reduce State General Fund revenue by \$360,000 annually beginning with FY 2009.

Sources

Department of Economic Development

/s/ Holly M. Lyons

March 11, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
